

Item #:	
Fiscal Impact:	N/A
Funding Source:	N/A
Account #:	N/A
Budget Opening Required:	N/A

## **ISSUE:**

One of the requirements for applying for a Utah Recycling Market Development Zone is to have documented support from local elected officials. This issue requires a resolution from the City Council.

## **SYNOPSIS:**

In 1996, the Utah Legislature created the Utah Recycling Market Development Zone (RMDZ) Program to provide local communities with an additional economic development tool. Several small zones were established in 2003 but have since lapsed. We are expanding RMDZ designation to all land zoned manufacturing as we reapply.

## **BACKGROUND:**

In 2003, a RMDZ was created for the West Ridge Commerce Park at the request of Frito-Lay executives. A RMDZ bordered by 4700 South, 5600 West, 5400 South, and 6400 West was created, as well as several smaller ones. RMDZ designation allows qualifying businesses in the zone to enjoy a 5% state tax credit on any machinery or equipment that they purchase, as well as a 20% state tax credit (up to \$2,000 annually) on eligible recycling expenses. RMDZ designation lapsed in 2007 and the owner of a recycled stone product business at SR-201 & 7200 West recently approached Economic Development staff about having designation extended to his area.

There are many businesses throughout the City in manufacturing zones that could benefit from RMDZ designation. Designation will also allow the combination of RMDZ and City incentives, as several existing RDA and EDA zones overlap the proposed RMDZ designation. Economic Development believes that this could be a useful tool in business retention and recruitment. Finally, promotion of businesses that reduce and reuse waste in their manufacturing processes helps to fulfill sustainability goals stated in the city's General Plan and Economic Development Strategic Plan. The only cost to the city would be a promise of "expedited permitting assistance" for businesses in the zone and an effort to educate existing and future businesses about the program.

## **RECOMMENDATION:**

It is recommended by city staff that the City Council approve the resolution demonstrating support for a Utah Recycling Market Development Zone to be created for all West Valley City land that is zoned for manufacturing.

## **SUBMITTED BY:**

Brent Garlick, Economic Development Director